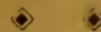


Europe's War Problems and Labor

by

FRED I. KENT



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by

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Europe's War Problems and Labor

FROM the first part of July, 1919, until the latter part of April, 1920, my time has been spent in the countries of Western Europe, and a part of my duty has been the study of after-war conditions as they exist in that part of the world in connection with government, industry and finance. There are too many important phases of the situation to enable one in a short address to cover them all, even in a general way, and I have, therefore, confined myself to those things which from my opportunities of observation seemed to have the strongest influence on the unfortunate world condition of the moment. Even on such a basis I have found it impossible to attempt to portray any of the hundreds of most interesting instances of detail which came to my attention and that served to prove to my mind the general propositions which I will lay before you.

THE close of the World's War of 1914 in November, 1918, left the warring nations, and all the neutrals, with some of the greatest problems that have ever come before mankind to settle. Since the signing of the armistice and the delay in the consummation of a real peace, the solution of these problems has become more and more difficult, until now in the spring of 1920 a crucial period in the world's history has developed. The strain of war has affected the mentality of many peoples, in that irritability and mental inertia have taken the place of initiative, and

the power of democratic government to exercise its functions for the common good has been largely destroyed, and in many countries moral laws of all kinds are being ignored, and integrity of purpose has been terribly shaken. A part of this development was natural to the strain of war, but the greatest harm as an after-effect of war has come about because of the poisoning of men's minds by those who would destroy the rights of others in order to accomplish their own selfish ends. Governments have been permeated with these evil forces to such an extent that, in connection with the mental fatigue of those in control, it has resulted in an entire lack of consideration of the rights of the majority as against the demands of a misled minority. As a result there has developed the most chaotic condition the world has ever seen in government, in economics and in industry.

Russia became the center of distribution of a most vicious poison, certain, if no antidote is found, to bring suffering and misery to the whole world. The currents from this poison bed are flowing through all civilized countries, and what has been a hell on earth at the fountain head has become an Utopian dream as fatuously explained by the emissaries and hirelings of those in control of this huge sore spot on the earth's surface. The inevitable misery which follows war is being used as a means to lead the multitude toward greater suffering and degradation, and their present state of mental delirium instead of being allowed to calm down is being fanned into greater flame. The nations must one and all take heed of this danger, for none is invulnerable to its effect. The taking of human life, which is a part of the game of war, and the destruction and confiscation of the rights and property of others, which is also a part of war, have been participated in either directly or indirectly by such a large

proportion of the world's population that all normal human values have been lost.

It would at first thought seem as though all peoples would so recoil from the horrors of war after the experience of the last five years that they would gladly make large temporary sacrifices to enable the resumption of peaceful conditions. The vast majority of individuals undoubtedly do have this feeling, but in view of their strained mental condition, the few turbulent ones who think they can see in chaotic conditions better opportunities for themselves have been able to successfully spread their poison. Unfortunately the laboring man, because of his numbers and the fact that large bodies of this class are aliens in the countries where they labor, and can, therefore, be easily influenced sentimentally if approached by representatives of their own people, is being used as the means to the chaotic end desired.

It has not yet occurred to the average laboring man that when another labor body strikes under present conditions, it is increasing his own cost of living, exactly as it increases the cost of living of other laboring men when he strikes. In other words, the whole labor world today is actually fighting the interests of every individual laborer. The so-called radicals, seeing how easy it has been to get men to strike regardless of any contracts that may have been in force, and not having in mind the general good, encourage men to strike, and then strike again, and then with the utmost inconsistency calmly object to the right of those whose costs have been raised to incorporating such costs in their own charges. If the carpenter and the plumber and the factory hand raise the costs to the farmer of keeping his house and farm tools in order, the farmer must receive more for his produce in order to meet such costs. If instead of the

farmer and the laborers who supply his wants each charging the other indirectly 100% for their service, they each charge 200%, neither will be better off, but the burden of the world will be that much greater.

This is clearly seen in the great strain on bank credit which exists in the United States today. A manufacturer who before the war had to borrow \$100,000 to carry him from the time of purchase of his raw material until the turnover of his finished product is now obliged to borrow a very much larger sum to handle the same production. Adding together all such increased borrowings in the country, we find it necessary for our banking system as a whole to carry a much greater total reserve than was true in normal times, and an element of danger is introduced into all industrial financing that requires most watchful care on the part of all concerned in order to prevent a serious condition from arising. The difficulties surrounding the control of such developments are so great that only the laws of supply and demand should be allowed to regulate them, except as man can through readjustment of conditions from day to day make for greater comfort and happiness to all.

One of the great lessons taught by the war is the fact that government cannot operate economically and with efficiency, and that the value of government and its only duty during times of peace lies in the regulation of the activities of its people in such manner as to leave the greatest amount of freedom to individuals, and at the same time protect the interests of all its people. Where the wills of different individuals, or of combinations of individuals, clash in such manner that only one can prevail, government by means of laws intended to operate for the greatest good of the community as a whole determines which will can be exercised. While man-made laws

carry much of error, yet this is the principle upon which government is founded. Unfortunately the word "government" has a most hypnotic influence on the mind of man, and almost without exception the feeling exists that government can accomplish the impossible.

Today we have hundreds of thousands of individuals throughout the world decrying government because it is supposed to have too much power, who are at the same time trying to give government more power than it already has. The movement in various countries for the nationalization of resources and of industry is nothing more nor less than an attempt to increase the powers of government in such manner that the weaknesses of government which are being exposed are to be given opportunities to multiply almost beyond the power of imagination. Incorporated in the high cost of living today in every country is governmental waste that is carried in every form of governmental operation. In the United States we have a veritable maelstrom of governmental commissions, City, State and National, the majority of which represent nothing but a tax on the community. The war waste, due to governmental inefficiency, was probably many times the amount of actual destruction upon the battlefields. Even so, and although this fact is appreciated throughout the civilized world, yet men are striving with all the power of oratory that they can command to develop a system under which the same opportunity for waste will exist in time of peace as in time of war. It is one of the great inconsistencies of human nature that is hard to understand, but that undoubtedly carries its force in the mystery of the word "government," together with the fact that the direct advocates of government operation hope that if their endeavors to bring it about are successful they may work

their way into governmental positions of importance.

The professional agitator is probably at the moment the worst enemy the world has, and the rights of all individuals, labor and capital alike, demand that he be suppressed when his teachings are those of dishonesty and discord. Such suppression need not interfere in the least with the honest effort of true leaders of labor to better the condition of themselves and their fellows. The harm which misguided labor has done to the world since the armistice is impossible to estimate. It has caused, and is causing untold suffering on the part of millions of people. One of the greatest boons to man, that of satisfaction in work well done, has been taken from that part of labor which has accepted the doctrines of the false agitators. The hours spent in work, which constitute a large portion of the time that man is awake, instead of being filled with the satisfaction of accomplishment, as they should, breed discontent and mental chaos. As a natural result of such mental attitude, happiness to the individual is impossible, and in striving for it he naturally takes to those things which cause temporary exhilaration, but carry in their wake degeneration and mental hell. Thus we see in Russia a state where murder, loot and immorality have been the order of the day, and no force existed which could give to man the slightest satisfaction in living. Existence even, in such a world, is worse than death. The confiscation of property, which is desired by the world's false prophets of the day, would be a small thing compared to the stealing of the world's happiness that is being carried on in all the vicious propaganda now being distributed in all countries, civilized and uncivilized. In addition to the funds which these professional agitators receive from stolen property in Russia, and the proceeds

of Rouble notes which have been printed by the billion and sold to the poor throughout the world as being a good speculation, there is the hope that if revolution and disorder can be developed, opportunities for loot will be so great that they can enrich themselves sufficiently to be able to spend the rest of their lives in one vast orgy. It is such a scheme, carried out with a vastness only possible because of the immense amount of wealth that has been stolen in Russia, that is being camouflaged as a plan intended to benefit labor. In view of the strain of the times, it is no wonder that multitudes have been fooled by this propaganda. As soon as the audiences being addressed by these agitators realize this situation, a turn will come in the world's affairs, and things will begin to move forward toward a more orderly condition. The workman will again begin to be able to take pleasure and satisfaction in accomplishment, which is certain to be reflected in greater efficiency, which will mean an increased production in all things necessary for the comfort and happiness of humanity.

Another great drawback to the world's progress, but which is also largely the result of the work of the agitators already mentioned, lies in the feeling on the part of many labor leaders, which unfortunately, because it makes it harder to combat, is an honest opinion, that limitation of output is of value to the laboring man. It is inconceivable how anyone can believe for a moment that if there are not enough articles of certain kinds to go around in the world, so that everyone who desires or requires them can have them, that reducing the output is going to better the situation. If the farmers should be imbued with this idea, and should cut down their production of food, it would probably not take long for those who believe in limited output to begin to see why they were hungry,

but when things are being manufactured that go into the life of the individuals who are engaged in their production in a more indirect way, it seems harder to follow. Without any intention on the part of the farmer to reduce his production there is grave doubt as to whether he is going to be able to maintain it, as the call upon men to the cities because of the payment of abnormal wages is stripping the farms of their labor. Fear of possible famine on this account has found expression in parts of Europe from radical industrialists in demands that the farmer be forced to work under the will of the labor bodies. Just how this would increase the production, however, has not been explained.

Another most unfortunate phase of the situation is the fact that just at this time labor leaders should see fit to induce their men to strike for shorter hours. With the world moving forward in an orderly manner, the shortening of the hours of labor from time to time, as greater efficiency in production can be developed, so that the things the world requires for the comfort and happiness of the people can be produced in sufficient number to meet the demand, is to be desired. Under present conditions, however, it is most harmful, and is partly the cause of the continued difficulties which exist at the moment.

The world situation as a whole can be better seen when applied to an individual. Suppose, for instance, a man with a family of dependents lives upon a solitary island, entirely separated from any connection with other human lives. By working nine hours a day for six days a week he is able to keep his house in order and his family sheltered, to produce and obtain sufficient food, including the storage of those things which are required during the winter season, and to keep his wife supplied with sufficient materials to enable her to clothe the family in

such manner as is necessary to preserve them from the rigors of the climate. A severe storm falls upon the island and destroys part of the supplies which have been stored, and opens up cracks in the family home. After the storm is over the man says to himself, "I have been working nine hours a day, which is too much, as the world owes me a living, and from now on I am only going to work six hours a day," and he proceeds to put this rule into effect. As a result he cannot keep his habitation in order, and his family is subjected to untold discomforts during times of bad weather, and such meagre stores as were left grow less and less as his daily production does not meet the requirements of his family and himself, and offers no opportunity to provide for either periods of emergency or for the unproductive seasons. In his heart the man knows that he is wrong, which not only prevents the extra three hours a day during which he does not work from giving him any satisfaction, but affects his mentality in such manner that his efficiency during the six hours that he does work is seriously curtailed. This situation can last only until the supplies in storage have been exhausted. Then regardless of whether the man thinks that the world owes him a living, he will of necessity be forced to return not to nine hours a day, but to ten hours or possibly eleven or twelve hours or more, and at the same time he and his family will have had many days of suffering, and should the season of non-production fall upon them before provision has been made for it, a hopeless condition might develop. The world today is in exactly the same position as would be true with a family under such circumstances. A frightful storm has passed over the earth. The destruction has been too great for the mind of man to comprehend. Millions of people are merely existing, and instead of an increase in indus-

trial activity and effort being made to restore the untold losses, the labor world has been partly standing idly by listening to the mouthings of conscienceless agitators who are throwing the dust of envy and hatred into the eyes of the people while leading them toward the abyss of anarchy and chaos, and human misery. Advantage is being taken of the necessity of mankind to withhold its needs except at a price which cannot be paid, because those who are withholding are themselves in large measure the consumers. A hungry mob in its unreasonable wrath will destroy the food which it craves, and it is upon this well-known fact that the agitator relies for his success. He does not consider himself one of the mob, but as the leader, who during the fury may, through the looting of the savings of others, so line his pockets that after the whirlwind has passed he can live a life of ease.

The Bolsheviks, after a period of murder and disorder unprecedented in the world, have learned that life cannot continue without production. Labor instead of being free has been organized into working armies, and the individual who refuses to work is forced to join the fighting army. The hours of labor have been increased to twelve hours a day in many lines. The individual laboring man as such has no rights of any kind and no opportunity to exercise his desires or opinions, whatever they may be. Those who pretend to be the leaders of labor rule with an iron hand, which is covered with blood, and yet through misrepresentation labor is being fooled into believing that such a regime will reduce their hours of labor and give them a greater return in the comforts and conveniences of life, whereas all that is before them if they persist on their way is misery and starvation. In many countries of Europe chaos reigns to such an extent that all life is

disordered. With the dense populations which exist in such countries the waste, due to disorder, even without strikes, makes it impossible for people to have proper food and living conditions. Added to such waste are the millions upon millions of hours of labor which have been and are being lost through strikes. With the world in its present condition, every day's work that is lost through strikes is actually causing hardship to all labor. When the coal miners in England stopped production they increased the difficulties of life to millions of other laborers throughout the world. The same was true when the coal miners in America struck, and again when those in Belgium, France and Germany stopped work. These strikes have prevented other laborers from being able to produce, which has resulted in decreasing the production of the world and further increasing prices. Strikes in connection with transportation of goods have had exactly the same effect, and have resulted in great destruction of foodstuffs which have been required by many peoples. Every time that a large body of laboring men who are producing or helping in the transportation of the things the world needs stops work, their strike is not against capital but against other labor, and all labor suffers by it. In fact labor is the principal sufferer.

For the greater protection of the laboring man, as well as of the public, every strike vote which may affect the interests of the public should be carried on under the supervision of government representatives and by secret ballot. In many nations throughout the world today the rowdy element, which is controlled by the agitator, is in position to force the man of family through fear to vote as it may wish. As a result many votes for strikes have been given where the men voting have known that they were wrong and

have voted through fear for themselves or their families. An absolutely secret ballot would be a protection to the laboring man. From the standpoint of fairness and right no one could take exception to such a system, and there would seem no reason why it should not be adopted. Anyone who might oppose this idea would in doing so practically admit that a fair ballot was not desired and that coercion was a part of his plan. While from the standpoint of cost it would mean a small increase in government expenditure, yet such increase would not represent an appreciable fractional part of the losses to the community through the hours of human endeavor which are wasted because of strikes. Until a way is found to settle labor disputes without strikes, strike voting should be carried on under government supervision and by secret ballot. The waste of the world from strikes and sabotage since the armistice, which has hurt labor more than capital, is undoubtedly nearly as great as the war waste would have been during the same period.

Leaving these phases of the situation for a moment, we will consider the technical results of their existence.

Ever since the armistice men of many nations have been seeking for a plan which it was hoped when put into operation might result in re-establishing normal industrial and trade conditions. The dearth of any practical result from the search so undertaken is due largely to the fact that all eyes have been fixed on effects rather than causes.

For instance, the question of the foreign exchanges has been one of those most written and talked about. Suggestions have been made in speeches and in writings as to the need of bringing back the exchanges to par or of stabilizing them at some fixed points. Plans without number have been brought forward that the originators have felt might

bring the desired result, but they have all been impossible, and if any of them had been successful it would have defeated the ends desired. The reason lies in the fact that the foreign exchanges are an effect and not a cause. They can neither be stabilized nor brought back to par unless the conditions which caused them can be remedied or nullified.

When the British Government during the war stabilized Sterling exchange in New York at 4.70 to the £, it was able to do so only because it was in position to purchase all Sterling exchange that was in the market at 4.70 a £, which could not be absorbed by commerce or other requirements for Sterling, and at the same time was able to sell Sterling exchange on such days as the demand happened to exceed the supply when the rate naturally might have gone above 4.70 to the £.

Any of the foreign exchanges today could be stabilized in the same manner and at any fixed rate, par or other point, that might be determined upon, provided any government which desired to accomplish such a result with its exchange on any country or series of countries was in position to obtain the foreign monies necessary to take up any surplus exchange which might be offered, and could in effect sell their own exchange in the foreign markets when required. If, as between any European country and the United States for instance, the European government should determine to stabilize its exchange and, for the sake of illustration, no other countries were involved, it could be done provided such European country could export to the United States values equal to the imports from the United States, accepting for the moment the thought that exports and imports cover capital as well as commodities. If instead of such country being able to find

an equivalent value of its imports from the United States for export to the United States it could only find half of such value, it could still maintain the exchange at a fixed point for just as long a time as it could borrow the difference in the United States. Should the European government continue to borrow in the United States every year for an extended period sufficient to make up half the total of its imports, each year it would be obliged to borrow more in the United States by the amount of interest which it had to pay on its loans in America. Of necessity, therefore, a time would come when the interest on the debt which the European government owed the United States would exceed the value of its exports to the United States. As soon as this point was reached, and taking it for granted, for the sake of illustration, that the exports and imports between this country and the United States ran in the same totals year in and year out, a situation of bankruptcy would have been developed as between such country and the United States. After the interest which it had to pay exceeded the total value of its exports it could never pay the principal, even though it should stop all importations from the United States.

Now if such a country of necessity was obliged to import from the United States certain things amounting to a large proportion of its ability to export, its position of bankruptcy would be realized when the interest which it owed to the United States exceeded the difference between the value of its exports to the United States and its imports from the United States. Even, therefore, if such a country could borrow in the United States for a series of years a sufficient amount to offset the difference between its exports and imports and the interest which accrued, it would inevitably be approaching

a time of bankruptcy when its imports from the United States would have to stop. Should a European government undertake such an operation there would be nothing to prevent her people from importing anything and everything from the United States that they might desire as long as the exchange was so stabilized, regardless of whether such things were needed or not. On the other side, there would be no particular incentive for its people to increase their exports to the United States, and the cause of the trouble would continue even though the effect, because of loans, was not noticeable in the exchange.

Under such conditions the operation as it would affect the United States would simply be one where those who purchased the European government securities would, in effect, be buying the commodities exported to such country from American manufacturers and producers, paying for them with dollars, but without having any use from them. Should the American Government make the loans to the European Government instead of individuals, the United States would be in a position where the tax payers were in effect buying goods from export manufacturers and producers which they never received. Regardless of the wealth of a country, an operation of this sort could only last for a limited time on the basis of our present European trade, and the waste to the United States would be equivalent to war waste in so far as reducing the wealth of the nation was concerned.

There is no question, therefore, but that the mere stabilization of the foreign exchanges as they exist today would be most harmful to the world and would only postpone the present difficulties until a later date when all chances of recovery would have passed. Any plan, therefore, aimed to correct the exchanges which does not correct the

causes for their disorganization is almost certain to result in financial disaster.

We are, therefore, thrown back upon the causes for the condition of the exchanges, and the problem is seen to lie wholly in finding a means of eliminating such causes. Before we can do this, however, it is necessary to understand the causes. This is not difficult. For five years practically all production throughout the entire world has been to meet the necessities of the people for existence, meaning prompt consumption, and then for purposes of war, also meaning prompt consumption or destruction. In all the neutral nations of Europe the depletion of goods ordinarily desired by the people has been as great as was true with the warring nations. This resulted from several causes, the two principal ones being the high prices which the necessity of those at war made them willing to pay for quick delivery, and the disorganization of the shipping of the world. So great were the forces brought to bear on all countries to supply material to be destroyed in the furnace of war that upkeep of housing, of transportation and of public service of all kinds was allowed to fall off until at the time of the armistice the world found itself completely disorganized, physically and economically. The high costs induced by war demand could not be reduced at once, as the ordinary requirements of labor and materials in time of peace were multiplied by the demand for reconstruction, and by the destruction of producing fields and factories which had taken place. Nearly every railroad in the civilized world needs to be brought up to date. The shipping of the world is all out of order. There is not sufficient housing in any country of Europe to properly take care of the people. Comparatively little new construction has been undertaken since the war started. Land transportation throughout all Europe is in a

frightful state of inefficiency impossible to realize by anyone who has not actually been in the countries concerned.

If at the moment of the armistice orderly government could have prevailed in all the countries, and all men had turned to the work of re-establishing industries and restoring the physical deterioration that had been allowed to take place in the mechanism of production, a year's time would have seen a tremendous improvement in all conditions necessary for the comfort of mankind. The high cost of living would also have reached and passed its maximum. The inflation in the currencies of the world which has taken place since the armistice would not have occurred, and the unnecessary circulation outstanding at the end of the war would have been reduced. Instead of such a situation developing after the armistice, exactly the opposite has been true. In no country has orderly government existed although the degrees of disorder have run from that of a state of mind to that of actual murder and loot. Men have not returned to work with enthusiasm after the relief from the strain of war, but instead more millions of hours of labor have probably been lost than during the war.

Every element of risk in all production and industry, because of the attitude of labor throughout the world, has been multiplied until the increased cost of all construction and reconstruction, due to the necessity of carrying what might be called insurance protection, has added its weight to the blockade of industry. In Europe no man can undertake any operation requiring labor and material with any certainty as to what it may cost him or as to the time that it will take for its completion.

It is not generally realized what a tremendous force such a situation exercises in hold-

ing back the world's progress and in continuing and adding to the high cost of living. The disorganization of the foreign exchanges was certain to follow such a condition, for the European nations were calling upon other parts of the world, and continental countries upon Great Britain, with every force that could be brought to bear for everything required or desired, and without sufficient production in their own countries to enable them to make payment. The fault has not been with agricultural Europe, which has recovered wonderfully from the evil effects of the war, but with industrial Europe, which is seemingly more interested in striking than in the welfare of itself or the countries of which it is a part. Until there is a marked change in the attitude of European industrial labor, no lasting betterment in the foreign exchange situation can be expected. On the other hand, with labor working properly and continuously, the necessity for imports for local consumption would decrease, the power to export would increase, the taxing powers of governments would grow without injury to production, deflation would set in naturally and effectively, and the foreign exchanges would begin to right themselves. The huge credits that the world seems to require in order to restart the forces of industry in a proper manner would not be required if orderly production could again be established. Further, until integrity of purpose again becomes a part of the attitude of labor toward its work it is neither safe to grant credit nor would credit serve the purpose for which it is required. On the other hand, with integrity of purpose assured, there is sufficient credit in the world to finance all industry and transportation as fast as it can be resumed. At one of the most crucial times in the world's history, when the greatest activity of all mankind was required for the purpose of restoring livable conditions to

humanity, enforced idleness through strikes and shorter hours of labor has prevailed to such an extent that the condition instead of bettering itself has steadily grown worse, as reflected in the continued higher costs of living.

As the extension of credit to meet all needs of the world on a satisfactory and honest working basis is extremely simple, the problem of the moment lies entirely in finding a way to re-establish such conditions.

There is one development that is taking place in Europe that has some elements in it which should be most helpful in restoring more orderly conditions. On March 15, 1920, Congress authorized the Grain Corporation to extend wheat credits to certain European countries, totaling in value about \$50,000,000. As the British Government had already authorized the expenditure by Great Britain of half of whatever sum America might advance for the purpose of aiding the restoration of Central Europe, this act of Congress automatically released \$25,000,000 in credits to be extended by Great Britain. A portion of this sum will be used by Great Britain to furnish shipping to carry the wheat which the Grain Corporation is to supply. Encouraged by this example, the neutral nations of Europe are interesting themselves, and a meeting was arranged in Paris on April 21, which was attended by representatives of the neutral nations, as well as those of some of the Allies, for the purpose of ascertaining whether a combination could not be brought about under which advances could be made by their governments to some of the Central countries of Europe. It was proposed that the proceeds be paid to the Nationals of the lending nations for such things as could be supplied from their respective countries that are required in Central Europe. Should the neutral nations determine to take part with the United States and Great Britain in

such an operation, which seems practically assured at the moment, it should have a very helpful influence in bringing about better industrial and economic conditions throughout Europe. While the credit advanced by the United States can only be used for flour, yet in the case of the other nations the intention is to supply raw materials as largely as possible, with the idea of giving those who need food something with which to pay for more food after they have consumed the supplies being furnished to meet the emergency.

Merely shipping food to countries where industries are lying idle through lack of raw materials accomplishes nothing except to delay the time when the real problem must be met. The organization which it is hoped may be made effective among the lending nations should have a tremendous power for good in guiding the whole situation, and it will be in position to extend help not only to Austria, Poland and other surrounding countries, but later to Germany as well. In order to have the plan under consideration work out to the best world advantage, it is not alone necessary to bring about a changed situation in the Central countries of Europe, but it is also important that France be aided in the reconstruction of her devastated regions. It would be bad for the world, as well as for France, if Germany were able to profit through the deliberate destruction of French factories in time of war with the hope of thus being able to obtain the markets of the world for her own industries after the war and before France was able to recover. Should such a situation be allowed to develop, other nations in future wars might be tempted to undertake wanton destruction for a similar purpose. It is necessary, therefore, from the standpoint of both justice and benefit to the world in general that while aid is being extended to the Central nations of Europe to help them begin the reconstruc-

tion of their industries, and to prevent them from falling into a state of anarchy, that effort be made to rebuild the destroyed factories of France.

The United States is directly and vitally interested in the whole of such development, as its future foreign trade is going to be seriously curtailed unless something is done quickly to correct present unsettled conditions. Without going into statistics the situation can be seen clearly when it is realized that in one comparatively small town in France 35 cotton mills were destroyed, practically all of which manufactured goods from cotton imported from the United States.

If the plan contemplated develops it is unquestionably going to be necessary for the people of the United States, not the government, to help France, as well as to take their part in the other operations intended. There is going to come a time, possibly soon, when loans of this character can be safely made by individual American investors. It will not be necessary to wait until industrial conditions have become normal, but only until such time as some positive tendency has been shown on the part of European peoples as a whole to begin to help themselves. Here and there in certain countries of Europe some change for the better is noticeable, and in two or three countries it is quite marked. In Belgium, for instance, although an eight-hour law has been put in force, many Belgian workmen after finishing their regular eight hours in one factory go to another factory and work for a further time. In France, in spite of prevailing strikes, there is a growing feeling among laboring men that radicalism is injuring their country and injuring themselves. Many British labor leaders are a little fearful that they may have gone too far, and common sense is beginning to appear in most unexpected quarters in many

parts of Europe, all of which is a most hopeful sign.

Loans intended for the refunding of existing loans for the purpose of carrying them forward to a more opportune time for payment can also be made with benefit to all concerned as between America and the Allied nations, as well as loans which are only temporary and are to be met directly by exports from the borrowing countries. In the case of such loans as may be made to the devastated regions of France the situation is again one that has its values, as the French factories when rebuilt would immediately add to the power of France to export. Some loans to European countries of a special character may also be required and advisable as time goes on, even though the extension of huge loans such as were undertaken during the war period should not be considered, at least until Europe has clearly shown that it has taken up its burden and intends to work out from under it. Then, and only then, could such loans do their full part toward enabling a repayment. As conditions exist today a large percentage of the proceeds of such loans would be certain to be wasted. On the other hand, if the sort of credits outlined are extended in a careful manner they should have a tendency to help in the restoration of a more orderly mental attitude, which is absolutely necessary before safe business in a large way can be undertaken.

In addition to the serious labor situation which is holding back the European nations, the unfortunate Treaty of Peace, which has resulted in great political differences, is also doing its part. As such political differences, however, have largely been brought about because of the labor conditions, it has seemed advisable to focus attention upon the latter. In doing so there has not been the slightest disposition to blame the individual laboring man as such. His problems have been ex-

tremely difficult, and to a certain extent he has been as helpless as all the rest of mankind to prevent the trend of things. Costs of living beyond his control have increased. Other labor has struck against him, and he has struck against other labor. In hundreds of thousands of individual cases he has been fairly carried off his feet by the force of circumstances and propaganda combined. Every laboring man who honestly does the share of his country's work allotted him, and every laboring man who endeavors in every honorable way to better his position in life, is entitled to the respect of the world. There is no question either but that the average intelligence of laboring men is developing marvelously, which in time, when it becomes better balanced, is going to serve a real purpose. Again, it is only natural that labor as a whole, having just found the power of its numbers, should have a tendency to abuse such power and endeavor to bring the nations of the earth to its feet unjustly. The whole situation constitutes a huge world movement, which must be studied openly if we would have a harmonious solution of the present discord.

In presenting the world's situation in this manner, it is done entirely without malice toward any, but with the hope that it may lead to a better understanding of the problems that are before us, and result in their solution with the least amount of suffering to humanity.

There are only two ways in which this particular problem can be worked out. One is a continuation of the disintegration of the stability of government until through misery and exhaustion those who may survive realize that orderliness in human life and integrity of purpose are necessary to human existence. The other way is to so expose the viciousness of the propaganda of the hour that it can be made clear to the masses of men who are

now being misled that their great interest and their only interest lies in co-operation, man with man, and a resumption of satisfaction in the successful accomplishment of whatever task one may have taken up to earn his living. It is to such an undertaking that we must dedicate a portion of our time and energy if we would do our full duty as citizens. It is not that we would be reactionaries or object to any change in society, methods of government or industry that would be better for mankind, but that we would put all the force of our lives in helping to make orderly progress and in blocking those who through ignorance or desire may be engaged in destructive instead of constructive methods.

